

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Tri-State Generation & Transmission
Association, Inc.**

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**Docket No. ER19-2444-000
 ER19-2444-001**

**UNITED POWER’S MOTION
TO INTERVENE AND PROTEST**

I. MOTION TO INTERVENE

In accordance with Rules 211, 212, and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (FERC, or the Commission),¹ United Power, Inc. (United Power) hereby files this Motion to Intervene and Protest in response to the filing of certain agreements by Tri-State Generation & Transmission Association, Inc. (Tri-State) in the above-referenced docket (WESC Filing).

United Power is a non-profit rural distribution electric cooperative and one of the 43 members of Tri-State. United Power provides retail electric service to homes and businesses throughout Colorado’s northern front range. As of early 2019, United Power served more than 90,000 meters representing more than 250,000 customers. According to Tri-State’s 2020 Consolidated Operating/Cost of Service Draft Budget, United Power is the largest distribution electric cooperative member of Tri-State and provides 19% of Tri-State’s annual member revenue. United Power is a full requirements customer of Tri-State and a counterparty to one of

¹ 18 C.F.R. §§ 385.211, 212 and 214.

the Wholesale Electric Service Contracts (WESC) that Tri-State has filed in the instant docket. United Power is thus directly affected by the outcome of this proceeding, and no other party can represent its interests. Accordingly, United Power moves to intervene.

II. DOCUMENTS SUBMITTED WITH THIS FILING

The following documents are being submitted with this Protest:

Exhibit A, Affidavit of Dean Hubbuck

Exhibit B, Relevant Board Policies

III. COMMUNICATIONS

All communications concerning this Motion to Intervene and Protest and any other aspect of this proceeding should be addressed to the following persons and the same persons should be included in the official service list maintained by the Secretary for this proceeding.

Dean Hubbuck*
United Power, Inc
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Brighton, Colorado 80603
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* Indicates persons to be designated for service under the Commission's rules. United Power requests waiver of any applicable limitations in Rule 203(b), to permit service to these designated persons.

IV. PROTEST

A. Introduction

The filings Tri-State made in the above-referenced docket relate to Tri-State's effort to transition from a non-public utility that is currently exempted from most provisions of the

Federal Power Act (FPA), to a public utility subject to regulation over, *inter alia*, the rates, terms, and conditions of interstate transmission service and wholesale power sales.² As of the time it becomes a public utility, Tri-State must file “schedules showing all rates and charges for any transmission or sale subject to the jurisdiction of the Commission, and the classification, practices, and regulations affecting such rates and charges, together with all contracts which in any manner affect or relate to such rates, charges, classifications, and services.”³ Pursuant to its statutory mandate, the Commission may only approve rates that are just and reasonable, not unduly discriminatory or preferential, or otherwise unlawful.⁴

Because it is, even at this time, a non-public utility, Tri-State was not previously required to file the WESCs, and thus the WESC Filing represents the Commission’s initial review of these agreements under the Commission’s policies and the “just and reasonable” standard. Because these agreements were entered into while Tri-State was not jurisdictional, and thus the terms, rates and conditions therein were not reviewed by the Commission or designed to meet the Commission’s requirements, the Commission must carefully review the agreements and apply the same statutory standards to the WESCs as it does to agreements entered into by other jurisdictional entities. Only after that review and approval under the proper “just and reasonable, not unduly discriminatory” standard can the tariff be approved and be applicable going forward.

As further below discussed below, United Power believes that:

² We note that Tri-State’s filing indicates that at the time of filing it remains exempt, but it anticipates it will add a new member in approximately 60 days, the effect of which would be to eliminate the basis of its current exemption. United Power has no additional information regarding the anticipated loss of Tri-State’s exemption, and does not oppose FERC jurisdiction over Tri-State at such time as it would no longer be exempt.

³ FPA Section 205(c), 16 U.S.C. 824d.

⁴ *See Id.*

- 1) The WESC Filing is incomplete, and could not be approved as made, because the filing does not include certain board policy documents containing “classification, practices, and regulations...rates and charges” and which “affect or relate to such rates, charges, classifications, and services” as the Commission requires;
- 2) the WESC Filing contains certain terms and conditions that are inconsistent with the FPA and Public Utility Regulatory Policies Act (PURPA); and
- 3) Tri-State’s current practices with respect to electric storage resources (ESRs) are unjust and unreasonable, and must be corrected and made subject to appropriate tariff conditions.

B. The Board Policies are Jurisdictional Schedules and Must be Filed to be Effective

The WESC between Tri-State and United Power contains numerous references to written policies heretofore enunciated and imposed by Tri-State’s Board of Directors (Board Policies). These references assert that certain terms and conditions of the services provided under the WESCs are set forth in Board Policies, which are external to the WESCs. While Tri-State’s form of WESC seeks to incorporate these policies by reference throughout the form agreement, the policies have not been included in the WESC Filing. For example, the United Power WESC provides that the following be set forth in written policies by the Board of Directors, including “[d]etails” regarding United Power’s election to purchase a portion of its requirements from renewable or resources, including “ requirements concerning such things as the effect of growth, backup service, nominations to be provided, reports Member is to provide, rates upon return to

all requirements service, notice periods to be provided, and other details.”⁵ Board Policies identified as Nos. 100, 101, 109, 110, 115, 117 and 118⁶ directly relate to the rates, terms, and conditions under the WESC.

United Power requests clarification and a compliance directive from the Commission requiring Tri-State to file as jurisdictional schedules any and all Board Policies that purport to add, amend, or interpret terms and conditions of the WESC, or that otherwise relate to jurisdictional services. These Board Policies have a direct bearing on the terms, rates, and conditions of the WESC. Because Tri-State purports to incorporate these policies by reference within the WESC, they are necessarily a part of the WESC. It is impossible to interpret the WESC consistently with Tri-State’s intent without the Board Policies, and if the Commission does not require the Board Policies to be filed, Tri-State will have broad latitude to continue to make revisions significantly affecting rates, terms, and conditions of jurisdictional service that may escape Commission review. In the alternative, United Power requests that the Commission clarify that any unfiled Board Policy provisions that affect rates, terms, and conditions of jurisdictional service are not effective and may not be used as interpretive materials for the WESC until filed and approved by the Commission.

The Commission applies a “rule of reason” in guiding decisions regarding whether an item should be filed with the Commission. “[P]rovisions that ‘significantly affect rates, terms, and conditions of service’” must be filed, where “items better classified as implementation

⁵ WESC Filing, Rate Schedule FERC No. 38, Wholesale Electric Service Contract between Tri-State Generation & Transmission Association, Inc. and United Power, Inc., 2-3.

⁶ See Exhibit B, Relevant Board Policies.

details” need not be filed.⁷ The Board Policies here significantly affect jurisdictional services, including wires-to-wires interconnections⁸ and “extension of transmission facilities by Tri-State to its Member Systems.”⁹ Board Policy 101 imposes fees on Members in addition to those contemplated in the WESC and permits Tri-State to bill WESC customers for member purchases of power under PURPA that exceed the 5% threshold,¹⁰ and, as discussed below, Board Policy 115 affects rates associated with ESRs.¹¹

C. The Commission Should Make Clear that Rates, Terms, Conditions, and Policies within the Board Policies and WESCs that Violate Statutory Standards and Regulations are Not Effective

Tri-State knowingly and affirmatively made the choice to submit itself to Commission jurisdiction, and United Power does not oppose Tri-State’s transition to jurisdictional status, assuming that at some future date the basis of Tri-State’s current exemption will lapse. United Power acknowledges that the transition to Commission jurisdiction will prevent disparate policies in different states from discriminatory effects on Tri-State members. However, Tri-State’s transition to jurisdictional status is not without obligations: Tri-State must conform to the Commission’s requirements that accompany public utility status. Therefore, Tri-State’s jurisdictional agreements (including the WESC and Board Policies) must conform to statutes and regulations that apply to jurisdictional entities, including the FPA, PURPA and the implementing regulations of each statute. Tri-State’s WESCs and Board Policies do not conform to these laws in all respects, and the Commission should make clear that, to the extent such jurisdictional

⁷ See e.g., *Energy Storage Association v. PJM Interconnection*, 162 FERC ¶ 61,296, P 103 (2018).

⁸ See Exhibit B-3, Policy No. 109.

⁹ See Exhibit B-4, Policy No. 110.

¹⁰ See Exhibit B-2, Policy No. 101.

¹¹ See Exhibit B-5, Policy No. 115.

documents do not comply with applicable laws and regulations, the non-compliant provisions are invalid.

To be clear, United Power in no way seeks to abrogate the WESC, and United Power acknowledges the value of maintaining the key terms and conditions of the long-term contract to preserve the bargain of the parties. However, the WESC was not contemplated or negotiated under this Commission's jurisdiction, and thus in some instances its provisions are inconsistent with Commission requirements. The same is true of certain Board Policies. For example, this Commission has already found that, in some respects, language in Board Policy 101 is not consistent with requirements under PURPA,¹² yet Tri-State has filed WESCs that incorporate this policy by reference.

The implementation of the 95% requirement in the United Power WESC is not only flatly inconsistent with prior Commission determinations regarding PURPA, but effectively prevents United Power from procuring or accepting additional renewable energy resources interconnected to the distribution system and flies in the face of applicable Colorado policies. The manner by which the 95% requirement has been implemented is inconsistent with Colorado policies and laws that require electric cooperatives that are Qualifying Retail Utilities (like United Power) to procure a certain percentage of their requirements from renewable energy resources, with

¹² In relevant part, Board Policy 101 states that, if a member's QF purchases result in less than 95% of its requirements from Tri-State, "then Tri-State will bill that Member System an amount equal to Tri-State's lost revenue minus Tri-State's avoided cost that is associated with the Member System purchasing less than 95% of its requirements from Tri-State." The Commission has addressed this exact language of Board Policy 101, finding *inter alia* that the language "seeks to undermine" a prior order of the Commission addressing the 95% requirement as it pertains to QFs and would "limit a QF's ability to sell its output at negotiated rates." *Tri-State Generation and Transmission Association, Inc.*, 155 FERC ¶ 61,269, P 19 (2016). The prior order referenced is *Delta-Montrose Electric Assoc.*, 151 FERC ¶ 61,238, *reh'g denied*, 153 FERC ¶ 61,028 (2015).

explicit mandates for retail distributed generation.¹³ United Power requests that the Commission clarify that the 95% requirement is not effective to the extent that it violates Commission policies. In particular, United Power should be able in accordance with PURPA and Colorado law, to acquire renewable resources and capacity and energy from renewable resources and PURPA Qualifying Facilities that would connect at the distribution level. United Power acknowledges the interest of Tri-State in the transmission system (115kv lines and above), but emphasizes that resources which are connected at the distribution level and behind the distribution meters should be within United Power's control so as to comply with United Power's PURPA obligations and with Colorado policies regarding renewable and distributed resources. Tri-State currently requires United Power to install Tri-State metering on distribution assets. This includes not only renewable resources but also applies to ESRs (no matter where and how it is interconnected even behind a retail end use metering point).

D. The Commission Should Determine Whether Tri-State's Practices are Just and Reasonable, and not Unduly Preferential or Discriminatory.

Following on the above, the Commission should clarify that Tri-State's practices and the implementation of its tariffs, and the services it renders, must be provided on a just and reasonable basis, not be unduly discriminatory, and must otherwise comport with Commission policies and requirements. United Power seeks explicit clarification of Tri-State's current treatment of ESRs that are directly interconnected to United Power's distribution system. In practice, under the guise of providing service under the WESC and related Board Policy No. 115,¹⁴ Tri-State has been "double-charging" United Power for ESR capacity: United Power pays

¹³ C.R.S. 40-2-124; *see* Exhibit A, 4-5.

¹⁴ *See* Exhibit B-5, Board Policy 115.

a Class A Rate (also called A-40 rate for both capacity and energy) charge for electricity that charges and is stored into an ESR, and United Power is then charged *again* for capacity when the electricity is injected back onto United Power's own distribution system. United Power acquires capacity and energy from Tri-State to charge the resource, but when the stored power is discharged, Tri-State imposes *another* capacity charge even though Tri-State's "capacity" is not needed, because the peak shaving capabilities of the storage facility has stored energy that United Power already purchased. The application of these charges is explained in more detail in Exhibit A, the Affidavit of Dean Hubbuck, Power Supply & Rates Director for United Power. Tri-State imposition of duplicative charges, *i.e.*, being charged twice for the same service is flatly inconsistent with Commission ratemaking principles and results in a negative impact on the economic proposition for such resources. It is also inconsistent with the Commission's policies in favor of encouraging ESR development and ensuring just and reasonable practices.¹⁵

E. Conclusion

For the reasons set forth herein, United Power requests that the Commission make the clarifications requested herein and require Tri-State's compliance with respect to the matters set forth above.

¹⁵ *Electric Storage Participation In Markets Operated By Regional Transmission Organizations and Independent System Operators*, Order No. 841, Docket Nos. RM16-23-001 and AD16-20-001, 162 FERC ¶ 61,127 (Feb. 15, 2018), *rehearing denied*, Order No. 841-A, 167 FERC ¶ 61,154 (May 16, 2019). While the specific requirements of Order No. 841 applies to organized markets, the Commission announced a policy of encourage electric storage development and participation in markets. *See Midcontinent Indep. Sys. Operator, Inc.*, Deficiency Letter, Docket No. ER19-465 (April 1, 2019)(requiring an RTO to explain how it would prevent duplicative charges for ESRs located on the distribution system with respect to compliance with Order No. 841.).

Respectfully submitted,

/s/ Charles A. Patrizia

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Attorneys for United Power

August 13, 2019

Exhibit A

Affidavit of Dean Hubbuck

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Tri-State Generation & Transmission
Association, Inc.**

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**Docket No. ER19-2444-000
ER19-2444-001**

**Testimony Affidavit of Dean A. Hubbuck
August 13, 2019**

Q. Please state your name and business address.

A. Dean A. Hubbuck
500 Cooperative Way
Brighton, Colorado 80603

Q. By whom are you employed and in what capacity?

A. I have been employed at United Power for the last 16 years and I am currently the Power Supply & Rates Director. In that position, I oversee the wholesale power supply purchases and deliveries for United Power. In that role, I reconcile costs to appropriate contracts and manage the power supply contracts for compliance. I also oversee and monitor regulatory activity at both state and federal levels to identify and evaluate potential regulations or proceedings that would affect United Power. Additionally, I manage the retail rate design and tariff review process, including load forecasting. I routinely advise our board on rate design, interconnection standards and updates, line extensions, and other tariff issues, including the standards applicable to Qualifying Facility under the Public Utility Regulatory Policies Act.

Q. Please describe your educational background.

A. I have Bachelor of Science Degree in Electrical Engineering and have worked in the Electric Utility sector for 27 years.

Q. Have you previously testified before the Federal Energy Regulatory Commission (Commission, or FERC) or before other regulatory agencies on utility-regulatory matters?

- A. I have not previously testified before FERC but have provided testimony in proceedings at the Colorado Public Utilities Commission regarding the need and purpose for transmission facilities, and I have answered complaints around the application of retail rates.

Q. What is the purpose of your affidavit?

- A. My affidavit today provides testimony regarding United Power's Wholesale Electric Service Contract (WESC) with Tri-State (filed in this docket), the implementing Board Policies that Tri-State has previously imposed and which are putatively incorporated by reference into the WESC, and Tri-State's practices with respect to electric storage resources (ESRs).

Q. Are you sponsoring any exhibits?

- A. Yes. Exhibit 2 to the Protest includes certain relevant Board Policies discussed in the body of the Protest.

Q. Was your testimony prepared either by you or under your direct supervision and control?

- A. Yes.

Q. Please describe United Power.

- A. United Power is a non-profit rural distribution electric cooperative, providing retail electric service to homes and businesses throughout Colorado's northern front range. As of early 2019, United Power supplies service to more than 90,000 meters representing more than 250,000 customers. United Power is a full requirements customer of Tri-State under its WESC. United Power is subject to Colorado law establishing policies and requirements, but its rates are not regulated by the Colorado commission. In Colorado, by Legislative declaration cooperative electric associations which are owned by the member-consumers they serve are regulated by the member-consumers themselves, acting through an elected governing body. Our regulating body is thus our Board of Directors.

Q. Please describe United Power's relationship with Tri-State.

- A. United Power is a "full requirements" customer of Tri-State. Under the WESC, United Power procures 100% of the capacity it needs to serve its retail customers from Tri-State, except that pursuant to the WESC and Tri-State Board Policies (as further described below), United Power can elect to furnish up to 5% of its

requirements with distributed or renewable resources. Tri-State is member-owned, and United Power maintains a board seat on Tri-State's board.

Q. Please describe how the 95% requirement is implemented.

- A. The WESC describes the "full requirements" construct and 5% election, per the above. However, the WESC provides that the board will generate written policies concerning its implementation.

Q. Do these Board Policies affect the terms, rates, and/or conditions of Tri-State's service to United Power?

- A. Yes. The WESC purports to incorporate the Board Policies by reference, so by the terms of the WESC, the Board Policies are binding under the WESC. There are a number of terms and conditions in Board Policies that relate to the WESC service, including some that directly determine charges paid by United Power. For example, Board Policy 115 purports to include ESRs in the definition of "distributed generation," although ESRs simply store energy produced by other generators. Further, as discussed further below, Tri-State's implementation of Board Policy 115 results in duplicative charges to members for ESR energy. Board policy 101 provides that Tri-State may impose fees on member-customers for certain purchases from Qualifying Facilities that exceed the 5% election. These are just a few examples that show how the Board Policies substantively affect the WESC.

Q. Please describe how the Board Policies are developed and updated.

- A. Board Policies are reviewed annually. All policies are reviewed and commented on by Tri-State staff for recommendations, if any, for updates. The Tri-State staff makes recommendations regarding the policies and any proposed changes to the Board's Executive Committee (made up of Board Members from the Member Cooperative Boards) and those recommendations are assigned to one of three standing committees for review. In addition to the review by one of the standing committees, some policies have a 90 day review and comment period for input from members before being reviewed by a Committee of board members. The updates subject to review and comment are usually the policies that affect the contract or the rate charged by Tri-State.

If there are significant comments when the updates are reviewed by the relevant committee, Tri-State staff might give a presentation regarding the updates and supporting the changes being recommended by staff. Representatives from the

membership can make comments supporting their opposition or position. After the committee has recommended any update, it goes to the entire Board for approval. At the monthly Board meeting there is an abbreviated discussion stating what changes (usually no presentation) and that it is being supported by the committee. Representatives from the membership can comment one more time before the vote.

Even if one or more members vote against a particular policy, if a Board majority approves the policy, the Board Policy effectively modifies the terms and conditions of all the contracts, including that of the dissenting member. The contract is also unilaterally modified in instances where the change is not subject to member input. Thus with respect to a member that disagrees with a Board Policy, the terms and conditions of that member's WESC can be modified without both parties to the contract being in agreement.

Q. To the best of your knowledge, was there any effort on Tri-State's part to ensure that Board Policies conformed to FERC requirements?

A. To the best of my knowledge, I am not aware of any efforts to ensure Board Policies conformed to FERC requirements.

Q. How has the 95% requirement influenced United Power's ability to procure renewable and/or distributed generation?

A. Based on the current interpretations made by Tri-State, United Power is at our 5% limit in acquiring local renewable resources at the distribution level. As our load grows, we track what availability we have remaining and will contract for additional local renewable resources to meet these adjusted levels at the distribution level. Without the 95% requirement interpretation as influenced by the Board Policy, United Power would acquire additional renewable resources in order to conform to Colorado requirements.

Q. Is the 95% requirement consistent with Colorado state laws and policies applicable to United Power?

A. No, it is not. Colorado has a number of initiatives encouraging and mandating cooperatives to ensure that a growing percentage of power requirements are met by renewable and/or distributed generation. In Colorado, Qualifying Retail Utilities like United Power must meet a 10 percent renewable portfolio standard, as provided in CRS 40-2-124. Once we exceed 100,000 meters, which I estimate will occur in or around 2021, our requirements immediately jump up to 20%.

Each requirement is well over the 5% limit set in the WESC. Under Board Policy 117, Tri-State effectively usurps its members' ability to control how the member will comply with these requirements.

Q. The Protest describes a “double charge” applied by Tri-State for electric storage resources. Please explain.

- A. United Power has installed a storage system that allows us to more efficiently use resources to meet peak load. The electric storage resource is located behind an end-use meter and is effectively being treated as a “Net Meter”. The electric storage resource is charged directly from the distribution grid by purchasing both energy and capacity from Tri-State at the time of being charged, meeting the terms in the full requirements contract for load.

When United Power then discharges the resource, for load shaping during United Power's peak time, Tri-State then charges a second capacity charge for “supplying” generation capacity (but not the energy). That is, United Power acquires capacity and energy from Tri-State to charge the resource, but when the stored power is used, Tri-State imposes another capacity charge even though Tri-State's “capacity” is not needed, because peak shaving capabilities of the storage facility has already stored energy that United Power purchased. Thus Tri-State imposes a double charge for the capacity of the electric storage resource. I understand that Tri-State believes this policy is compliant with its Board Policy 115, which includes ESRs in its definition of “distributed resources.” However, the ESR discharges capacity and energy that United Power has already paid for. This is inappropriate from a ratemaking perspective, as it results in United Power being charged twice for the same capacity.

Q. How does this double-charge affect the economics of electric storage resources on United Power's distribution system?

- A. This double-charge effectively doubles the period over which United Power will achieve financial payback of its investment in the electric storage resource. Even though all activity is occurring on the distribution system and there is no export to the wholesale market or transmission system.

Q. How has this rule affected United Power?

- A. The double charge has upset the economics of a 4.5 MW storage system energized in December 2018 that reached its commercial operation date in January of 2019. In 2018, after United Power had already signed the contract

(executed in October 2017) to interconnect the battery storage project, Tri-State amended Board Policy 115 to include language that results in the ESR double-charge. This language was not subject to member comment and fundamentally altered United Power's assessment of the ESR project's economics.

Q. Does this conclude your testimony?

A. Yes.

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Tri-State Generation & Transmission Association, Inc.

Docket No. ER19-2444-000

AFFIDAVIT

STATE OF COLORADO)

) **SS:**

COUNTY OF Adams)

I, **Dean A. Hubbuck**, being duly sworn, certify that the attached testimony in this docket were prepared by me or under my supervision and that the answers contained in such testimony are true and correct to the best of my knowledge and belief.

Dean A. T. H. H. H.

Dean A. Hubbuck

Subscribed and sworn to before me this 13th day of August, 2019.

Marsin G. Dall

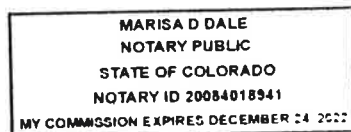


Exhibit B-1

Board of Directors Policy 100

Conservation, Load Management, and Renewable Resource
Policy



TRI-STATE
Generation and Transmission
Association, Inc.

Board of Directors Policy

Subject: CONSERVATION, LOAD MANAGEMENT, AND RENEWABLE RESOURCE POLICY			Policy No.: 100
Original Issue : 7-7-00	Last Revised: 7-11-18	Last Reviewed: 7-10-19	Page 1 of 2

OBJECTIVE

To provide for the conservation of natural resources through the efficient use of electrical energy and to provide Tri-State the opportunity to participate in renewable resource studies.

ACCOUNTABILITY

The Chief Executive Officer.

SCOPE

This Policy pertains to Tri-State as a consumer, and in all matters relating to the application of load management, energy conservation, and conservation of non-renewable and renewable resources with its Member Systems and applies to all private, public, and governmental studies which are open to participation and are located within or may be applied within Member Systems' service areas.

For the purpose of this Policy, renewable resources are defined as conventional hydroelectric, small-scale hydroelectric, solar, wind, geothermal, recycled energy and biomass resources.

IMPLEMENTATION

Develop and administer a Conservation and Renewable Energy Program. Support Member Systems in their efforts to develop and carry out a system-wide program of load management and the efficient use of energy.

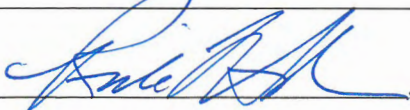
Report to the Board of Directors and other governmental agencies, as appropriate, on load management, energy and resource conservation, and renewable resources.

Periodically examine Tri-State's own use of energy and determine ways and implement means of making more efficient use of all forms of energy in Tri-State facilities.

Participate in renewable resource studies involving alternative electric generation technologies.

Keep informed on developments in alternate energy, coal, and synthetic fuel sources so that the knowledge of appropriate technology may be utilized to facilitate the planning effort.

Identify and investigate state-of-the-art technology and ongoing research and development pertaining to load management, energy conservation, and resource technology. Establish and/or participate in pilot or experimental programs and maintain library information on same.

 , Chairman and President	Date: <u>7-10-19</u>
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Board of Directors Policy

Subject: CONSERVATION, LOAD MANAGEMENT, AND RENEWABLE RESOURCE POLICY			Policy No.: 100
Original Issue : 7-7-00	Last Revised: 7-11-18	Last Reviewed: 7-10-19	Page 2 of 2

Monitor studies where appropriate and encourage Member Systems to furnish additional information and data in seeking out potential projects.

Engage in joint planning efforts with other utilities, as appropriate, to coordinate and facilitate energy and resource conservation in Tri-State's interconnected system.

Sponsor seminars and inform Member Systems regarding the prudent use of electrical energy throughout the Member Systems.

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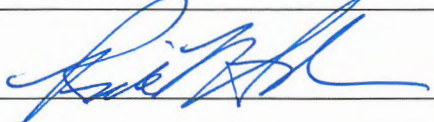
 _____, Chairman and President	Date: <u>7-10-19</u>
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Exhibit B-2

Board of Directors Policy 101

Qualifying Facility Capacity and Energy Purchase Policy



TRI-STATE
Generation and Transmission
Association, Inc.

Board of Directors Policy

Subject: QUALIFYING FACILITY CAPACITY AND ENERGY PURCHASE POLICY			Policy No.: 101
Original Issue : 7-7-00	Last Revised: 9-6-18	Last Reviewed: 9-6-18	Page 1 of 3

OBJECTIVES

Tri-State is dedicated to assuring an adequate and reliable long-term supply of electricity to its Member Systems at the lowest possible cost, consistent with sound business practices. Accordingly, and as a cooperative dedicated to consumer well-being and the public interest, Tri-State is committed to the conservation of natural resources by offsetting generation produced from non-renewable energy resources with generation produced from renewable energy resources, to the extent that such offset is cost-effective, efficient and practical.

ACCOUNTABILITY

The Chief Executive Officer.

SCOPE


Tri-State has the obligation under the regulations implementing the Public Utilities Regulatory Policies Act of 1978 (PURPA) to purchase capacity and energy from Qualifying Facilities (QFs), as defined in Section 201 of PURPA. This Policy establishes the implementation provisions to fulfill this obligation.

IMPLEMENTATION

Tri-State QF Purchases

This section details provisions that apply when Tri-State purchases capacity and/or energy from a QF:

Except where applicable law dictates otherwise, the price for capacity and energy for QFs shall be calculated annually by Tri-State through system production cost modeling of the Tri-State generation fleet, and will be used for the following calendar year. The results of the avoided cost calculations will be made available to developers of QFs upon request. This modeling will involve hourly chronological production cost methods to determine the hourly decremental cost of the Tri-State generation fleet. The decremental cost analysis will form the foundation of the standard price offering for QFs that are 1 MW nameplate capacity or smaller. For larger QFs, avoided cost calculations will be performed on a case-by-case basis. Pricing may be adjusted as appropriate for effects including, but not limited to, losses and intermittency. Capacity payments will be established based on avoided capacity costs, however when Tri-State is forecasting excess capacity, no capacity payments will be offered.

 _____, Chairman and President	Date: _____ 9-6-18
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TRI-STATE
Generation and Transmission
Association, Inc.

Board of Directors Policy

Subject: QUALIFYING FACILITY CAPACITY AND ENERGY PURCHASE POLICY			Policy No.: 101
Original Issue : 7-7-00	Last Revised: 9-6-18	Last Reviewed: 9-6-18	Page 2 of 3

Member System QF Purchases

This section details provisions that apply when a Member System purchases capacity and/or energy from a QF:

The Member System will ensure that any such QF project will have metering and telemetering equipment installed and operational that is satisfactory to Tri-State in conformance with the Tri-State Distributed Generation Metering Requirements. Tri-State will be granted access to the metering data and Tri-State, its employees, agents and contractors, will be granted a non-exclusive license to provide access to the metering installation for the purposes of verification and validation of the metering, and to install and maintain any additional metering that Tri-State may choose to install at the QF project point of interconnection with the Member System.

In the event that a Member System purchases capacity and/or energy from a QF and to the extent the total capacity and/or energy purchased from QFs and non-QFs does not result in the Member System purchasing less than 95% of its requirements from Tri-State (as established in the Wholesale Electric Service Contract and defined in Tri-State Board Policy No. 115), then the pricing, terms and conditions of such transaction as between Tri-State and the Member System, shall be implemented pursuant to Tri-State Board Policy No. 115.


In the event a Member System purchases capacity and/or energy from a QF pursuant to 18 C.F.R. section 292, (or any successor requirement) and that purchase results in the Member System purchasing less than 95% of its requirements from Tri-State (as established in the Wholesale Electric Service Contract and defined in Tri-State Board Policy No. 115), then Tri-State will bill that Member System an amount equal to Tri-State's lost revenue minus Tri-State's avoided cost that is associated with the Member System purchasing less than 95% of its requirements from Tri-State.

Transmission and Interconnection

To the extent that a QF interconnects with or takes transmission service from Tri-State, or power generated by the QF flows from the Member System onto the Tri-State transmission system, the transmission customer must request and obtain appropriate service from Tri-State under the terms of the Tri-State Open Access Transmission Tariff.

Waiver

Tri-State, together with any individual Tri-State Member System or Member Systems may apply to the Federal Energy Regulatory Commission (FERC) for a waiver of Tri-State's obligation to sell retail power to QFs, and the Tri-State Member System's obligation to purchase capacity

 _____, Chairman and President	Date: _____ 9-6-18
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TRI-STATE
Generation and Transmission
Association, Inc.

Board of Directors Policy

Subject: QUALIFYING FACILITY CAPACITY AND ENERGY PURCHASE POLICY			Policy No.: 101
Original Issue : 7-7-00	Last Revised: 9-6-18	Last Reviewed: 9-6-18	Page 3 of 3

and/or energy from QFs. Any Tri-State Member System may elect to join Tri-State in any such waiver application. If FERC grants the waiver, subject to any FERC conditions, Tri-State shall purchase the capacity and/or energy from the QF and the Tri-State Member System shall sell retail power to the QF.

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 _____, Chairman and President	Date: <u>9-6-18</u>
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Exhibit B-3

Board of Directors Policy 109

Member System Transmission Service Policy



TRI-STATE
Generation and Transmission
Association, Inc.

Board of Directors Policy

Subject: MEMBER SYSTEM TRANSMISSION SERVICE POLICY			Policy No.: 109
Original Issue : 7-7-00	Last Revised: 7-10-19	Last Reviewed: 7-10-19	Page 1 of 8

OBJECTIVE

To establish reasonable and equitable rules and regulations to govern service by Tri-State to its Member Systems.

ACCOUNTABILITY

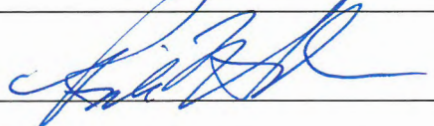
The Chief Executive Officer.

SCOPE

Tri-State will make delivery of wholesale power and energy to its Member Systems subject to its *Wholesale Electric Service Contracts* with its Member Systems (WESC) and subject to the provisions of this Policy.

1. Definitions

- a. **Base Capacity** shall mean the maximum rated capability, as of May 1, 2010, of Delivery Facilities owned by a Member System.
- b. **Delivery Facilities** shall mean any substation equipment and facilities and the transmission lines and facilities that connect the interconnected transmission system directly to a Member System's distribution system at a Point of Delivery, including substation high-side equipment, substation power transformers, and associated metering and protection systems.
- c. **Point of Delivery** shall mean a point at which Tri-State is obligated to deliver and meter electric power and energy to a Member System through Delivery Facilities owned by Tri-State, a Member System, or a third party transmission provider. If the Delivery Facilities are owned by a third party transmission provider, Tri-State's obligation to deliver and meter electric power and energy to a Member System is limited to paying the third party transmission provider for services as set forth in Section 2.1 of this Policy. Each Member System's Point(s) of Delivery shall be as specified in Schedule B of Tri-State's WESC with each individual Member System.
- d. **Qualifying Voltage** shall mean any voltage 100 kV and above, or below 100 kV in certain instances provided the transmission facilities operating at such lower

	_____, Chairman and President	Date: 7-10-19
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Board of Directors Policy

Subject: MEMBER SYSTEM TRANSMISSION SERVICE POLICY			Policy No.: 109
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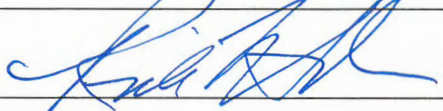
voltage are, in Tri-State's sole judgment, operated as a component of the interconnected transmission system.

- e. **Single-Entity Concept** shall mean a concept used in planning, designing, and constructing additions to the interconnected transmission system and the electric system belonging to a Member System as though they were owned by only one party. Said concept shall be applied so as to result in the least total cost using generally accepted principles and may include, as applicable, costs associated with capital, operation, losses, transmission service, and/or maintenance. . However, Tri-State shall not have control over or the right or ability or authority to control the electric facilities, power lines, operations or maintenance practices of the Member System.

2. Rules

a. *Points of Delivery and Other Transmission Facilities Operated at a Qualifying Voltage*

Tri-State shall continue to furnish and the Member Systems shall continue to take service at existing Points of Delivery, except that, at the Member System's request, Tri-State may acquire from any Member System, generally at net book value or a mutually agreeable equivalent, all Delivery Facilities and other transmission facilities owned by the Member System that are operated at a Qualifying Voltage. Upon such acquisition by Tri-State, the Point of Delivery shall be moved to the low side of the substation power transformer and Tri-State will subsequently comply with applicable reliability standards for such facilities as established, administered, and enforced by North American Electric Reliability Corporation and the Regional Entity, subject to the approval and oversight of the Federal Energy Regulatory Commission. The Member System's written request for such acquisition by Tri-State must include all such facilities that are owned by the Member System. Tri-State's acquisition of said facilities shall be conditioned upon and dependent upon; i) the execution of a mutually agreeable contract and closing documents between the Member System and Tri-State, and ii) the satisfactory completion by Tri-State of a due diligence investigation of the assets to be acquired by Tri-State and that such assets are acceptable for acquisition in the sole determination of Tri-State. A finding by Tri-State that certain individual facilities are not acceptable for acquisition will not disqualify the acquisition of other facilities contained in the Member System's acquisition request. After

 _____, Chairman and President	Date: 7-10-19
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Board of Directors Policy

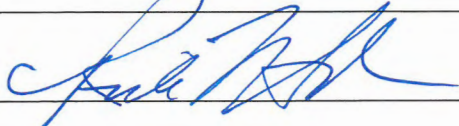
Subject: MEMBER SYSTEM TRANSMISSION SERVICE POLICY			Policy No.: 109
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closing on the acquisition of any particular facilities, Tri-State, at its own expense, shall be responsible for operation, maintenance, repair, replacement, reliability compliance, and all future improvements or upgrades of those particular facilities so acquired by Tri-State. Until such closing, operation, maintenance, repair, replacement, reliability compliance, and all future improvements or upgrades of said facilities are the responsibility of the Member System. The application of any Investment Recovery Credit that was previously applied pursuant to a prior version of Tri-State Board Policy No. 110 and is applicable to any Delivery Facilities so acquired by Tri-State shall cease upon such acquisition by Tri-State.

At any time prior to termination of the individual Member System's WESC, or any contract that amends, restates, or supersedes the WESC, any Member System that has transferred ownership of Delivery Facilities and/or other transmission facilities to Tri-State pursuant to the provisions of the first paragraph of this Section 2.a shall have the right to re-acquire said facilities from Tri-State, generally at then-current net book value or a mutually agreeable equivalent and subject to the provisions of a mutually agreeable contract, which contract shall be the result of good faith negotiations between Tri-State and the Member System and subject to compliance with the Master First Mortgage Indenture, Deed of Trust and Security Agreement, amended, restated and effective as of December 15, 1999, entered into by and between Tri-State and Wells Fargo Bank, National Association as trustee, as such may from time to time be amended, supplemented, or superseded. After closing on the re-acquisition of such facilities by the Member System, the Member System, at its own expense, shall be responsible for operation, maintenance, repair, replacement, reliability compliance, and all future improvements or upgrades of such facilities.

Tri-State shall provide, own, operate, maintain, repair and replace, at its own expense, any Delivery Facilities operated at a Qualifying Voltage required to serve any future Points of Delivery approved by Tri-State pursuant to this Policy, whether such Delivery Facilities are sourced from transmission facilities owned by Tri-State or another electric utility that provides transmission service to Tri-State.

When the Delivery Facilities associated with an existing Point of Delivery become inadequate as determined by Tri-State, any additions or modifications to such facilities required to increase load serving capability shall be the responsibility of the owner of said facilities, unless said Delivery Facilities are

 _____, Chairman and President	Date: _____ 7-10-19
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Board of Directors Policy

Subject: MEMBER SYSTEM TRANSMISSION SERVICE POLICY			Policy No.: 109
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owned by a Member System, in such case the Member System shall be responsible only for the pro-rata cost of Base Capacity in the new Delivery Facilities and Tri-State shall be responsible for the remainder. In all cases, Tri-State shall be financially responsible for required changes to metering equipment, including meters, instrument transformers, and communications equipment associated with said metering.

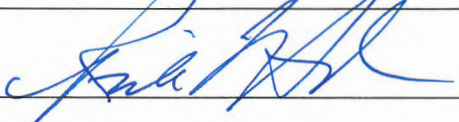
In the event that a transmission provider, including Tri-State, but not including any Member System, requires a change in voltage of a transmission or subtransmission line serving an existing Point of Delivery, Tri-State shall assume financial responsibility for all costs associated with replacement of existing Delivery Facilities owned by the Member System made necessary by said change in transmission voltage, or for a mutually agreeable alternative; provided, that said change in transmission voltage is not at the request of or made necessary by the Member System being served. Upon replacement of such Delivery Facilities operated at a Qualifying Voltage by Tri-State, the ownership, operation, maintenance, repair and replacement responsibilities shall be the responsibility of Tri-State. Conversely, in the event any Member System requires a change in voltage to a Member System transmission or subtransmission facility, the Member System shall assume financial responsibility for all costs associated with replacement of existing Delivery Facilities owned by Tri-State or any applicable transmission provider. The ownership, operation, maintenance, repair and replacement responsibilities existing before such replacement shall remain unchanged.

b. Process for Transition to Low-Side Points of Delivery

Tri-State staff will establish a process for processing, developing appropriate contracts, and completing closings for Member System requests for the Tri-State acquisition of Delivery Facilities and other transmission facilities set forth in Section 2.a of this Policy.

c. Metering

Metering shall be installed on the low voltage side, if any, of any new Point of Delivery unless existing metering is determined by Tri-State to be adequate. Tri-State's obligation for losses shall extend to the Point of Delivery, provided that if a Member System installs and owns a transformer at such a location that does not

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Board of Directors Policy

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meet the requirements of Section 2.e of this Policy, Tri-State will assess the Member System for any excess losses. All revenue and power factor metering facilities which are presently in service and provided by Tri-State, another transmission provider, or the Member Systems shall continue in service until such time as Tri-State, at its option, shall have arranged with the other transmission provider or the Member Systems to acquire or replace such metering facilities. All revenue and power factor meters and other metering equipment at new or modified Points of Delivery will be provided and maintained by Tri-State at its own expense. Inspection and maintenance of all such meters owned by Tri-State or the Member Systems will be performed or caused to be performed by Tri-State at its own expense. Tri-State shall notify Member Systems of the scheduled dates for Tri-State testing of meters serving their system. The Member System shall be advised of the testing schedule for those meters tested by Tri-State by written notification at least three weeks before the first scheduled test unless other arrangements are made by mutual agreement between the Member System and Tri-State. The Member System shall have the right to witness all Tri-State tests of the meters serving their system and to receive any reports or other written documentation of those tests.

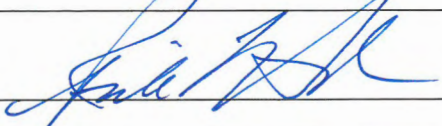
Meters will be remotely interrogated throughout the billing period by Tri-State's Meter Data Management System (MDMS). Method, format, timing, import, and acquisition of Member System meter data will be coordinated and approved in advance with Tri-State.

d. *Direct Deliveries to Customers*

Tri-State will not supply transmission service or sell power directly to customers in the service area of any Member System unless requested to do so in writing by the Member System or lawfully ordered to do so. If requested by a Member System or lawfully ordered to serve such a customer, Tri-State will provide the electric service and the necessary service facilities, pursuant to Tri-State Board Policy No. 110.

e. *Delivery Facility Transformers*

All transformers at Points of Delivery ordered by Tri-State or a Member System after April 1, 2009, should be high-efficiency transformers as set forth in Tri-State's then current Engineering Standards Bulletin: *Criteria for System Planning and Service Standards* as such may be amended or revised from time to time. For

 _____, Chairman and President	Date: _____ 7-10-19
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all such transformers ordered by a Member System after the above date, the Member System must provide manufacturer's transformer test data to Tri-State prior to the energization of said transformer.

f. Planning

Each Member System shall provide or otherwise make available to Tri-State a copy of the Member System's existing long range plan and work plan, if any, or any new or revised long range plan or work plan which it shall hereafter adopt. In addition, each Member System shall provide Tri-State with up to date information regarding its work plan at least annually and more often when developments on the Member System's electrical system result in change(s) to the work plan or load increases to new, or existing Points of Delivery which would materially affect Tri-State's planning.

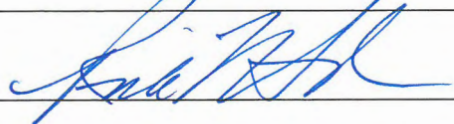
Tri-State shall prepare a long range plan and an annual work plan which are coordinated with the plans of the Member Systems. Tri-State shall bear its cost of such plans and of all associated studies required by Tri-State. The Member Systems' cooperation will be solicited, as required, in the conduct of such studies, and their participation shall be welcome. Tri-State's Ten-Year Transmission Capital Construction Plan shall be available to the Member Systems. Tri-State shall coordinate its planning and construction of facilities with the Member System(s) in whose area(s) the construction will take place or will affect.

Tri-State, at its own expense, shall perform power requirements studies and load addition studies, as required by certain entities, for itself and the Member Systems. The Member Systems shall cooperate with Tri-State in the performance of the power requirements and load addition studies, and the Member Systems shall furnish load data when requested by Tri-State.

If facilities will be of benefit to two or more Member Systems, Tri-State may serve as a coordinator in helping develop such facilities.

g. Service Standards

Tri-State shall develop service standards for planning and operating the interconnected transmission system. Such standards will include, among other things, voltage levels, capacity limitations and power factor criteria for both

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normal and emergency conditions. Such standards shall be incorporated into Tri-State's Engineering Standards Bulletin: *Criteria for System Planning and Service Standards*.

h. Operations

Tri-State shall be the source of contact by a Member System with any of Tri-State's wholesale power suppliers or transmission providers on matters of power supply, contracts, voltage and service complaints, and planning for additions to the interconnected transmission system. Tri-State shall keep its Member Systems informed of planning and operating negotiations with other utilities which may affect a Member System's plans and operations. Routine operating problems may be handled by designated representatives of the Member Systems directly with the operating staff of such power suppliers or transmission providers where service is obtained directly from other than Tri-State facilities. Operating problems are, however, often an indication of a need for additional planning and engineering; therefore, the Member Systems will report all such operating or voltage problems immediately to Tri-State.

i. Maintenance

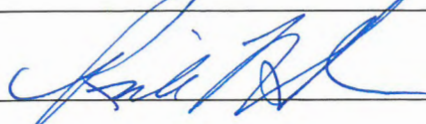
Tri-State will provide maintenance and repair of a Member System's equipment in accordance with Tri-State Board Policy No. 105. The maintenance will be performed at the Member System's request and upon execution of a mutually agreeable contract.

j. Temporary Service to Member Systems

Facilities will be installed by Tri-State to provide temporary service to a Member System only when arrangements are made to assure that Tri-State recovers not less than the total cost of providing such temporary service, including the cost of acquisition, installation and removal of the necessary equipment, less salvage value, if any.

k. Applications for New or Modified Points of Delivery

A Member System desiring to modify an existing Point of Delivery or establish a new Point of Delivery shall submit a New Delivery Point or Delivery Point

 _____, Chairman and President	Date: _____ 7-10-19
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TRI-STATE
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Modification application Form to Tri-State in accordance with procedures developed by Tri-State. Such Member System must have written approval of Tri-State before commencing construction as well as before energizing any new or modified Point of Delivery.

1. *Transmission Service, Transformation Service, Use of Delivery Facilities*

At both existing and future Points of Delivery, all costs for transmission service, transformation service, and/or use of Delivery Facilities on the electric system of another electric utility shall be arranged for and borne solely by Tri-State. A Member System desiring a new Point of Delivery requiring such services over portions or components of the electric system of another electric utility shall coordinate with and obtain the approval of Tri-State. Tri-State's approval shall be dependent upon the demonstration by appropriate economic and/or feasibility studies, that such delivery from the electric system of another electric utility is justified on a Single-Entity Concept basis using generally accepted principles of engineering economics. Tri-State shall perform and bear the cost of said studies.

m. *Changes to this Policy*

Before any changes to this Policy are effective, all Member Systems will be given notice of and an opportunity to comment on the proposed change(s). Notice of the proposed changes shall be sent to each Member System and to the Board of Directors at least 90 days before the Board of Directors may act on the proposed changes. Any Member System may submit written comments on the proposed changes to the Chairman and President and the Chief Executive Officer. The Board of Directors shall be provided all such comments prior to acting on the proposed changes, provided that the written comments are submitted at least ten (10) days prior to action by the Board of Directors. The Board of Directors may approve, reject, or modify the proposed changes and upon such action by the Board of Directors, any changes to this Policy shall be effective.

3. *Disagreements Under This Policy*

Following the process in Tri-State Board Policy No. 316, any Member System has the right to request that the Board of Directors review or reconsider any plan or system problem when a disagreement exists between the staff and/or management of Tri-State and the Member System.

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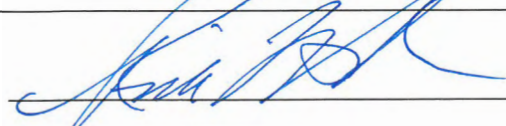
	_____, Chairman and President	Date: <u>7-10-19</u>
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Exhibit B-4

Board of Directors Policy 110

Transmission Extension Policy



TRI-STATE
Generation and Transmission
Association, Inc.

Board of Directors Policy

Subject: TRANSMISSION EXTENSION POLICY			Policy No.: 110
Original Issue : 7-7-00	Last Revised: 4-3-19	Last Reviewed: 4-3-19	Page 1 of 8

OBJECTIVE

To establish reasonable and equitable rules and regulations to govern the extension of transmission facilities by Tri-State to its Member Systems.

ACCOUNTABILITY

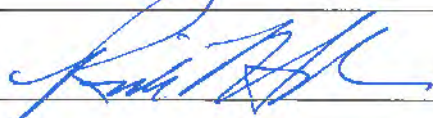
The Chief Executive Officer.

SCOPE

All future transmission facilities constructed by Tri-State to serve its Member Systems shall conform to the terms and conditions of this Policy.

1. Definitions

- 1.1 **Adequate Service** shall mean the providing of adequate electric service to each Member System's Point of Delivery, preserving the integrity of the interconnected transmission system, delivering the output of generation resources under normal system conditions, and creating utility interconnections.
- 1.2 **Delivery Facilities** shall mean any substation equipment and facilities and the transmission lines and facilities that connect the interconnected transmission system directly to a Member System's distribution system at a Point of Delivery, including substation high-side equipment, substation power transformers, and associated metering and protection systems.
- 1.3 **Indeterminate Load** shall mean any load the size and permanency of which is not reasonably assured or any load requiring the exclusive use of transmission facilities.
- 1.4 **Looped Transmission Service** shall generally mean service that is provided over those components of the interconnected transmission system, including sectionalizing breaker additions, over which the load can be served from more than one substation or source.
- 1.5 **Member System Coincident Peak Demand** shall mean the Member System's highest thirty (30) minute integrated total demand measured during the monthly

 _____, Chairman and President	Date: 4-3-19
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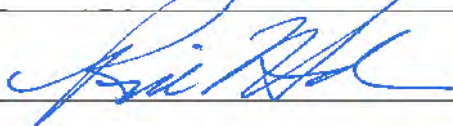
TRI-STATE
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Association, Inc.

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billing period. For Member Systems receiving service at more than one Point of Delivery, the demand shall be the maximum coincident peak demand for all of the Member System's Points of Delivery the same as if the service were provided to the Member System at one Point of Delivery.

- 1.6 Point of Delivery** shall mean a point at which Tri-State is obligated to deliver and meter electric power and energy to a Member System through Delivery Facilities owned by Tri-State, a Member System or a third party transmission provider. If the Delivery Facilities are owned by a third party transmission provider, Tri-State's obligation to deliver and meter power and energy to a Member System is limited to paying the third party transmission provider for services as set forth in Section 2.1 of Tri-State Board Policy No. 109. Each Member System's Point(s) of Delivery shall be as specified in Schedule B of Tri-State's *Wholesale Electric Service Contract* with each individual Member System (WESC).
- 1.7 Project Load** shall mean the maximum estimated load at the time of the Member System Coincident Peak Demand, on a seasonal basis (summer or winter), and consistent with the Member System's Application for Tri-State Approval of a New Delivery Point or Delivery Point Modification Form, as set forth in Section 2k of Tri-State Board Policy No. 109.
- 1.8 Qualifying Voltage** shall mean any voltage 100 kV and above, or below 100 kV in certain instances provided the transmission facilities operating at such lower voltage are, in Tri-State's sole judgment, operated as a component of the interconnected transmission system.
- 1.9 Single-Entity Concept** shall mean a concept used in planning, designing, and constructing additions to the interconnected transmission system and the electric system belonging to a Member System as though they were owned by only one party. Said concept shall be applied so as to result in the least total cost using generally accepted principles and may include, as applicable, costs associated with capital, operation, losses, transmission service, and/or maintenance. However, Tri-State shall not have control over or the right or ability or authority to control the electric facilities, power lines, operations or maintenance practices of the Member System.

 _____, Chairman and President	Date: 4-3-19
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TRI-STATE
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Board of Directors Policy

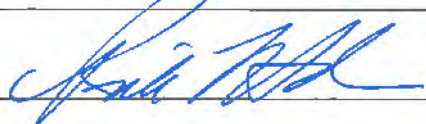
Subject: TRANSMISSION EXTENSION POLICY			Policy No.: 110
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2. Reliability Considerations

- 2.1 Transmission** – Maintaining Adequate Service on the interconnected transmission system is considered to be a top Tri-State priority. Tri-State's then current Engineering Standards Bulletin: *Criteria for System Planning and Service Standards* shall be used as a guideline for determining system additions needed to provide Adequate Service. Tri-State will also take into account such factors as average time to repair, miles of exposure, customer historical outage time, number of customers, terrain, weather and the critical nature of the load(s).
- 2.2 Transformer Reliability** – Reliability of service to loads related to potential outages of transformers serving Member System Points of Delivery shall be evaluated separately from other reliability considerations. Tri-State owned transformers serving Member System Points of Delivery shall be evaluated on an ongoing basis. Tri-State, at its own expense, will supplement, construct, own, operate, maintain, and repair Tri-State owned transformers, as needed. For Member System owned Delivery Facility transformers, the procedures for any additions or modifications to such facilities required to increase load serving capability will be in accordance with Tri-State Board Policy No. 109. Tri-State shall continue to review the need for mobile and spare transformers to cover forced outages and to permit required transformer maintenance for Points of Delivery.

3. Interconnected Transmission System

- 3.1 New Facilities** – Tri-State, at its own expense, will construct, own, operate, maintain, repair, and replace all new interconnected transmission system facilities operated at a Qualifying Voltage that are justified pursuant to Tri-State Board Policy No. 109 or this Policy, except as described otherwise in Sections 5 and 6 of this Policy.
- 3.2 Point of Demarcation** – Generally, the point of demarcation marking the end of the interconnected transmission system will be the load side of the tap switch on a radial line or the source side of the high side isolation device for the first level of transformation.
- 4. New or Modified Transmission Facilities** – Upon justification of a new, or modified Point of Delivery from a source operated at a Qualifying Voltage and pursuant to the Single Entity Concept, Tri-State will, at its own expense, provide, own, operate,

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maintain, repair, and replace Delivery Facilities to new load centers except as described otherwise in Sections 4.1, 5, and 6 of this Policy. Load centers shall be established in accordance with Sections 2f and 2k. of Tri-State Board Policy No. 109. Load shifting to establish load centers shall require the mutual agreement of Tri-State and the Member System and shall be accomplished in accordance with the Single-Entity Concept.

- 4.1 Member Alternatives** – The Member System shall have the right to request, and Tri-State will consider, any alternative to the preferred system configuration determined under Section 3, or 4 of this Policy. Such alternative shall not substantially degrade the reliability of the interconnected transmission system and the Member System shall agree, in writing, to bear any additional capital costs incurred by Tri-State in consenting to such alternative.
- 4.2 Financial Participation and Facility Ownership, Operation, Maintenance, Repair, and Replacement** – Tri-State, at its own expense, except as provided for in Section 4.1, shall provide, install, own, operate, maintain, repair, and replace all Delivery Facilities operated at a Qualifying Voltage. The Member System shall provide, install, own, operate, maintain, repair, and replace all remaining facilities at the tap or Delivery Point, except that Tri-State and the Member System may share the cost of providing common facilities at such taps or Delivery Points, including but not limited to, site grading, grounding, fencing and control building on the basis of the proportion of each party's space requirements in the substation yard. Tri-State shall thereafter be responsible for performing operation, maintenance, repair, and replacement of said common facilities and the costs associated therewith will be shared by Tri-State and the Member System in the same proportion as previously established for the sharing of the capital investment in said common facilities.

5. Looped Transmission Facilities

- 5.1 Eligibility Test** – Upon the request of a Member System, Tri-State will participate with the Member System in a project to provide looped transmission service, from the interconnected transmission system to a Member System's Point of Delivery, or an alternative thereto as set forth in Section 5.3 of this Policy. There is no restriction on the size of the loads to be served by such a project.
- 5.2 Financial Participation in Capital Investment** – Tri-State will participate with the Member System in the capital investment for looped transmission facilities, or certain alternatives thereto as set forth in Section 5.3 of this Policy. The level of

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Tri-State's participation shall be the lesser of fifty percent (50%) of the total project investment, or Tri-State's maximum level of participation in \$/kW, as set forth in Exhibit A, times the Project Load. Reliability Considerations, as set forth in Section 2 of this Policy, may be considered as justification for additional Tri-State financial participation in looped transmission facilities.

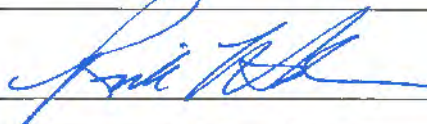
5.3 Alternatives to Looped Transmission Service

5.3.1 The Member System and Tri-State may elect to construct alternate facilities in lieu of looped transmission facilities. Such alternate facilities are limited to improvements to the Member System's distribution system, emergency generation or other alternatives as may be mutually agreed upon by Tri-State and the Member System. The objective of such alternative will be to mitigate the effects of an outage of transmission facilities serving the Member System's load. Any plan proposed as an alternative to looped transmission facilities must be reviewed and approved by Tri-State and must be operated in conformance with Tri-State's WESC. Any emergency generation installed hereunder shall be under the exclusive control and dispatch of Tri-State.

5.3.2 Tri-State will participate with the Member System in the capital investment for alternatives to looped transmission facilities. The level of Tri-State participation shall be the lesser of fifty percent (50%) of the total investment or Tri-State's maximum level of participation in \$/kW, as set forth in Exhibit A, times the Project Load. In the case of alternatives to looped transmission facilities, Project Load shall be measured at the time a contract is entered into between Tri-State and the Member System for alternative facilities and shall not include estimated load growth.

5.4 Ownership, Operation, Maintenance and Replacement Responsibility

5.4.1 Ownership of looped transmission facilities constructed under this Section 5 shall be vested in the participating Member System and Tri-State on an undivided joint ownership basis with the ownership share of each being proportional to its financial participation in such facilities, except that if requested by the Member System, Tri-State will own the interconnected transmission system portions of the looped transmission facilities operated at a Qualifying Voltage, and will subsequently be responsible, at its own

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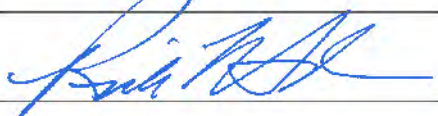
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expense, for operation, maintenance, repair, and replacement, and reliability compliance of such facilities.

- 5.4.2** Ownership, operation, maintenance, repair, replacement, and reliability compliance responsibilities for alternative facilities, as described in Section 5.3, shall be determined by mutual agreement of Tri-State and the Member System on a case-by-case basis.
- 5.4.3** Operation, maintenance, replacement, and reliability compliance of looped transmission facilities in which both Tri-State and a Member System have an ownership interest shall be provided by Tri-State, at its own expense. Any fines or fees assessed by NERC or the RE related to Tri-State's reliability compliance responsibilities shall be the sole responsibility of Tri-State.

6. Treatment of Indeterminate Load

- 6.1 Financial Participation in Capital Investment** – Tri-State shall not be responsible for any capital investment in facilities to provide service to or metering of an Indeterminate Load.
- 6.2 Ownership, Operation, Maintenance and Replacement Responsibilities**
- 6.2.1** Ownership of transmission facilities to serve Indeterminate Load shall be held by the Member System or Tri-State. At the Member System's request, Tri-State may assume ownership of any such facilities that are operated at 100 kV and above. In such case, Tri-State will also assume responsibility for operation, maintenance, repair, replacement, and reliability compliance associated with said facilities.
- 6.2.2** Operation, maintenance, and replacement of transmission facilities to serve Indeterminate Load shall be the responsibility of the owner of such facilities.
- 6.2.3** Tri-State shall be involved in the planning of transmission facilities for serving Indeterminate Load to ensure coordination with its planning of the interconnected transmission system.

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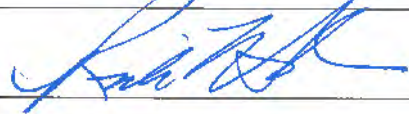
7. Jointly Funded Projects

7.1 At a Member System's request, Tri-State will consider financing the entire cost associated with a project constructed under Section 5 of this Policy, including the Member System's share. If Tri-State and a Member System agree to such an arrangement, the Member System will agree to reimburse Tri-State for the Member System's share of project costs. The Member System will repay Tri-State through a surcharge on the monthly electric service bill or otherwise as determined by Tri-State.

7.2 Relationship to Tri-State Board Policy No. 113 – Nothing in this Policy shall affect the requirement under Tri-State Board Policy No. 113, that the increased cost of underground facilities must be borne by the local jurisdictions or land owners who have requested Tri-State to pursue an underground transmission option.

8. Disagreement Under This Policy – Following the process in Tri-State Board Policy 316, any Member System has the right to request that the Board of Directors review or reconsider any plan or system problem when a disagreement exists between the staff and/or management of Tri-State and the Member System.

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EXHIBIT A to Policy 110

Calculation of Tri-State's Participation Level In Loop Transmission Facilities or Alternatives (Refer to Section 5.2 and 5.3.2)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Total Plant Investment in 115 and 138 kV Lines and Substations	\$611,736,606	\$642,987,718	\$688,884,636	\$1,943,608,960
Member Coincident Highest Annual Peak – kW (kW)	3,021,543	3,074,068	3,163,263	9,258,874
Tri-State's Participation Level in Looped Transmission Facilities or Alternatives = (Plant Investment per kW) (\$/kW)	\$ 202.46	\$ 209.17	\$ 217.78	\$ 209.92

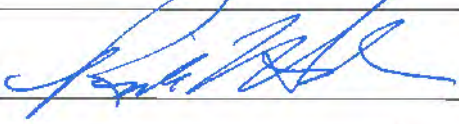
 _____, Chairman and President	Date: <u>4-3-19</u>
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Exhibit B-5

Board of Directors Policy 115

Member System Distributed Resource Policy



Board of Directors Policy

Subject: MEMBER SYSTEM DISTRIBUTED RESOURCE POLICY			Policy No: 115
Original Issue : 1-9-02	Last Revised: 7-10-19	Last Reviewed: 7-10-19	Page 1 of 11

OBJECTIVE

The Wholesale Electric Service Contract between Tri-State and the Member Systems allows each Member System the option of using distributed or renewable generation resources they own or control to serve up to five percent (5%) of the Member System's requirements. This Policy describes how this option will be implemented. The five percent (5%) represents a right, not an obligation of the Member System.

It is intended that the implementation of the 5% option should minimize subsidization between Member Systems that choose to implement this option and Member Systems that do not.

ACCOUNTABILITY

The Chief Executive Officer

SCOPE

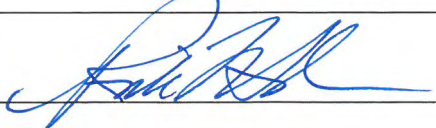
1. General Provisions

Projects that are eligible under this Policy include renewable or distributed resources under the ownership or control of the Member System. Distributed resources include energy storage devices, such as batteries. "Control" of renewable or distributed resources can be achieved through a Member System's contract for the output of a project or any other mechanism by which the Member System takes title to or is deemed to take title to the energy produced by the project.

For each Member System, the total output from Member System-owned or controlled resources shall not exceed 5% of that Member System's annual Gross Energy Requirements in any calendar year, and such output shall not exceed a coincident contribution of more than 5% to that Member System's annual Gross Capacity Requirements in any calendar year.

Gross Energy Requirements ("GER") is defined as the sum of: (1) the energy Tri-State delivered to the Member System, (2) metered energy from Member System-owned or controlled resources under this Policy, (3) excess generation from retail net metering, and (4) metered energy from a Qualifying Facility (as defined by the Public Utilities Regulatory Policies Act of 1978, as amended ("PURPA")) to the extent that is serving Member System energy requirements outside of this Policy.

Gross Capacity Requirements ("GCR") is defined as the Member System's highest thirty (30) minute integrated total demand measured in each monthly billing period during the Tri-State Peak Period (as defined in the Class A rate schedule) and summed over a calendar year. GCR is calculated by summing: (1) Member System demand served by Tri-State, (2) demand served by Member System-owned or controlled resources, and (3) demand served by a Qualifying Facility to the extent that is serving Member System demand requirements outside this Policy. The demand

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Subject: MEMBER SYSTEM DISTRIBUTED RESOURCE POLICY			Policy No: 115
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served by net excess energy associated with net metering will be estimated by Tri-State using best available data.

In determining eligibility for potential new projects under this Policy, the 5% energy threshold will be based on the highest GER value from the prior three calendar year period, from the time of application, and the 5% capacity threshold will be based on the highest GCR from the prior three calendar year period, from the time of application.

Energy supplied by a Member System during discharge cycles of energy storage/battery devices to serve its energy requirements will not count against a Member System's 5% energy threshold.

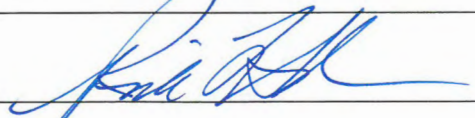
For retail net metering arrangements, for each retail customer, any energy generated in excess of consumption, as measured over a calendar year, will be counted as part of the Member System's 5% energy threshold and will be reported to Tri-State by March 1st of each year.

In addition to using historical Member System load data, consideration will be given to actual or anticipated loss of a significant customer load, in determining eligibility of a potential new project under this Policy. For projects that would reasonably be expected to cause the Member System to exceed either the 5% energy threshold or the 5% capacity threshold, Member System project contracts will not be offered under this Policy, regardless if the projects meet the historical value-based thresholds described above.

2. Implementation

To implement any Member System-owned or controlled resource, the Member System will complete and submit an application to Tri-State that describes the details of the proposed project including information such as the project schedule, projected commercial operation date, contract term, projected output, metering arrangements, point of interconnection, project technology, project ownership, billing alternative, and any other relevant project information. The application should be submitted to Tri-State when the proposed Member System project ("MP") has a high likelihood of being constructed but before the Member System finalizes project agreement negotiations with the project developer. For all MPs, it is the Member System's responsibility to have an appropriate system impact study performed to determine the impacts of the project on the Member System's distribution system and the transmission system or delivery facilities. Such system impact study should be completed prior to submittal of an application to Tri-State.

Upon review of the application, the implementation of this Policy for each MP will be detailed in a Member Project Contract, and each such contract shall be subject to approval by the Board of Directors. It is recommended that a Member System review the draft Member Project Contract from Tri-State prior to executing a project agreement for an MP to avoid potential conflicts between the two agreements. The Member Project Contract will specify provisions including, but not limited to, the effective date, notice periods, contract term, billing treatment, metering, and operational requirements and should be executed within sixty (60) days following Board of Directors' approval.

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Once approved by the Board of Directors, a Member System will ensure that an MP's output will not exceed the resource nameplate capacity rating approved by the Board of Directors and contained in the Member Project Contract. Upon expiration or termination of a Member Project Contract, the Member System shall return to purchasing wholesale electric service from Tri-State for those requirements previously served by the MP, unless the contract is extended or replaced by mutual agreement between the Member System and Tri-State. Rates upon returning to service provided by Tri-State will be at the prevailing Class A rate.

3. Billing / Payment Alternatives

Each MP will be designated for either the Net Metering with Backup and Ancillary Service Charges Option ("Net Metering Option") or the Gross Metering with Bill Crediting Option ("Bill Crediting Option"), which are further described below. The Member System will choose, when submitting its application, which billing alternative will apply to the MP. Once designated, that billing alternative will apply for the term of the Member Project Contract.

For MPs that include energy storage/batteries as all or part of the project, the Net Metering Option is required for the energy storage component of the overall project.

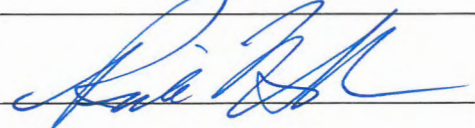
3.1 Net Metering Option

Under the Net Metering Option, the MP will serve to modify the Member System's monthly Member System Energy and Generation Demand billing determinants based on the metered output from the MP and the MP's output at the time of the Member Coincident Peak during the Tri-State Peak Period (TPP/MCP). Transmission / Delivery Demand billing determinants will be established as discussed below.

The various Member System monthly billing determinants for MPs under the Net Metering Option will be calculated as follows:

- Energy: Total energy readings at Tri-State Point(s) of Delivery to Member System (net of the MP(s))
- Generation Demand: Maximum Net Member System Peak Load, as measured on a 30-minute interval basis, at TPP/MCP (net of the MP(s))
- Transmission / Delivery Demand: Maximum Gross Member System Peak Load, as measured on a 30-minute interval basis, at TPP/MCP, (with MP(s)' metered output added back to calculate gross load)

Under the Net Metering Option, Tri-State will assess backup and ancillary service charges associated with the MP, and add these charges to the monthly Member System bill.

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The backup charge will be assessed based on nameplate capacity rating of the MP on a \$/kw-month basis, regardless of whether the MP has operated in a given month. The ancillary service charge will be assessed on the monthly metered energy from the MP on a \$/Megawatt-hour basis. The backup charges and ancillary service charges will vary by technology group and such charges, by technology group, will be set forth in Exhibit 1 of this Policy. Tri-State may develop additional technology groups and corresponding backup and ancillary service charges, as needed.

The backup and ancillary service charges will be reviewed periodically, but at least annually, and may be updated based on factors such as performance of all MPs, performance of a technology group during Tri-State system peak conditions, transmission provider tariffs and ancillary charges, related charges or costs associated with organized market participation associated with integration of renewable energy, and integration costs incurred by Tri-State. Any updated backup and ancillary service charges will go into effect the calendar month following the Policy revision effective date.

A Member System that enters into a Member Project Contract for an MP under the Net Metering Option will not be locking in a fixed price or value for the MP output for the term of the Member Project Contract. The value of the output will vary depending on the MP's performance, the load profile of each Member System, the current Class A rate, and the applicable backup and ancillary service charges. Class A rates, as well as backup and ancillary service charges, are subject to revision and are applicable to both new and existing Member Project Contracts using the Net Metering Option.

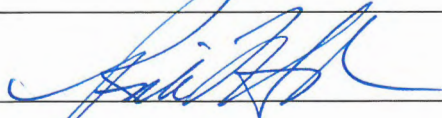
3.2 Bill Crediting Option

Under the Bill Crediting Option, Tri-State will provide the Member System a credit on its monthly bill (a "Bill Credit") based on each megawatt-hour of energy generated by the MP. Under this method, Tri-State will bill the Member System for gross load (as if the MP were not present), and then provide a bill credit to the Member System for all MP energy as produced each month.

Tri-State will establish Bill Credit pricing for the MP based on the technology and the expected generation profile of the MP. The pricing in the Member Project Contract will remain in effect for the duration of such contract. The Bill Credit pricing in effect at the time of Board of Directors' approval of an MP under this Policy will be reflected in the Member Project Contract.

Tri-State will periodically, but at least annually, review and update the Bill Credit pricing. The pricing will reflect forward wholesale electricity market price projections, life-cycle cost estimates for similar projects, current renewable compliance obligations, Tri-State's relative load/resource balance, and the underlying objective to minimize cost shifts between Member Systems that exercise the self-generation option and those that do not. Tri-State may develop additional pricing tables as needed.

Bill Credit pricing is provided in Exhibit 2 for projects of varying technologies. For contracts in excess of ten years, the pricing shown in the published table on the year of the tenth (10th)

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anniversary from the MP commercial operation date will be used for subsequent years without escalation.

4. Project Output in Excess of 5%

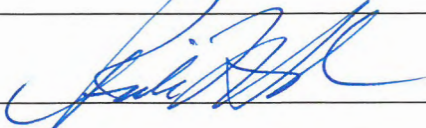
If, due to variations in Member System load or MP energy production, a Member System owns or controls a resource that produces energy in any calendar year that is in excess of 5% of the Member System's energy requirements in that calendar year, the associated excess energy will be purchased from the Member System by Tri-State at Tri-State's avoided cost, as described in Tri-State Board Policy No. 101.

Additionally, if, due to variations in Member System load or MP operation, a Member System owns or controls a resource that contributes (on a coincident basis) to more than 5% of a Member System's annual capacity requirements (measured monthly during the TPP and summed over a calendar year), the amount of capacity/demand over the 5% will be charged to the Member System at the then-current Class A Generation Demand rate. MPs with Member Project Contracts dated prior June 6, 2018 will be exempt from the 5% capacity threshold exceedance true-up; except however, such MPs will be included in the determination of any capacity threshold exceedance for any Member Project Contract dated after the effective date of this Policy.

5. Project Location and Operating Characteristics

This Policy is intended for projects that are located on the Member System and do not result in negative transmission system impacts including the unauthorized use of the transmission system or use of facilities not owned by the Member System. It is anticipated that the MP will be interconnected with the Member System and MP output will serve local load requirements via the Member System distribution system. If the MP's output is expected to flow onto facilities not owned by the Member System, or if the MP is not directly interconnected with the Member System, all arrangements for and the cost of necessary transmission, facility use, and ancillary services will be the responsibility of the Member System and will be assigned to the Member System in the Member Project Contract. All MPs, which include individual and aggregated MPs, that are in excess of 500 kW at any single Member Delivery Point, are subject to Tri-State written approval and will be evaluated to ensure acceptable performance and system impact before a Member Project Contract can be executed. If approved by Tri-State, the MP may be required to install mitigation measures and be subject to operating restrictions.

In an effort to minimize costs incurred by Tri-State, for MPs with a nameplate capacity rating of 10 MW or higher, it will be the responsibility of the Member System to provide Tri-State advance notice of a planned outage of the MP and prompt notice in the event of an unplanned outage of the MP.

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6. Contract Term

The Member System will select the contract term which will have a maximum duration of twenty (20) years, and a minimum duration of five (5) years. MPs must achieve commercial operation within eighteen (18) months of Board of Directors' approval. If the MP does not achieve commercial operation within the eighteen (18) month time period set forth in the Member Project Contract, then Tri-State may require the Member System to re-apply for a new Member Project Contract under the then-current policy pricing, terms and conditions.

7. Data Sharing, Metering, Protection and Telemetry

The Member System shall provide modeling data for all MPs to the applicable transmission provider, transmission planner, governing balancing authority, reliability coordinator and/or other regulatory authorities as required. Tri-State shall coordinate with the Member System for the required MP information.

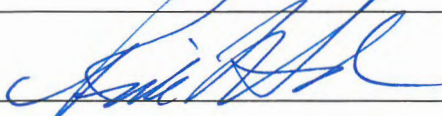
Each MP (regardless of size) shall be equipped with metering equipment that meets the requirements of Tri-State, the transmission provider, the governing balancing authority, and organized market system operator, if applicable, and will be designed and operated to allow for accurate measurement of MP output and total Member System load billing determinants, i.e. total load as if the MP were not present.

Metering, telemetry and protection requirements will be appropriate to the size and impact of the MP. In addition to remote SCADA real-time monitoring (if applicable), meters will be remotely interrogated throughout the billing period by Tri-State's Meter Data Management System (MDMS). The method, format, timing, import, and acquisition of MP meter data will be coordinated with and approved in advance by Tri-State.

At any time, MPs may be subject to additional requirements of the appropriate balancing authority, transmission provider, or organized market operator. Member Systems are responsible for all such costs, including costs of modifications to Tri-State's or other transmission providers' facilities affected by operation of the MP. Member Systems are responsible for all costs associated with operational requirements or directions from the appropriate balancing authority, transmission provider, or organized market operator, including possible curtailment requirements.

MPs that include more than one technology (ex. solar + energy storage/battery) will have the appropriate metering equipment installed as described above on each distinct component of the MP.

An MP may not commence operation or produce test energy, nor declare commercial operation, prior to installation and commissioning of the metering, telemetry and protection schemes to satisfy all requirements discussed above in a manner satisfactory to Tri-State. The metering equipment ownership, detailed technical specifications and payment responsibility and terms will

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be set forth in a separate contract (from the Member Project Contract) between the Member System and Tri-State which shall be executed prior to testing and commercial operation of the MP.

8. Other Provisions

The billing/payment alternatives described in this Policy are available for implementation of solar, wind, landfill gas, hydro, waste heat or recycled energy resources (Bill Crediting Option or Net Metering Option), and energy storage/batteries (Net Metering Option only), or other resources that exhibit similar generation patterns. This Policy does not address valuation of resources that exhibit generation patterns or characteristics that materially differ from those resources listed above. If a Member System proposes to implement a project that is not addressed by these existing valuation methods, Tri-State staff will develop valuation methods and appropriate contract language, subject to Board of Directors' approval.

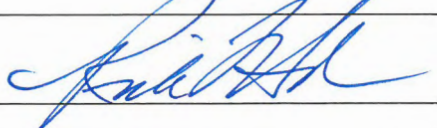
In the event Tri-State implements changes to the existing Class A rate design that would cause significant changes to a project's valuation under the Net Metering Option, Tri-State or the Member may terminate Member Project Contracts for projects that have selected the Net Metering Option, and in such case will develop new valuation methods that are consistent with the modified Class A rate design and enter into new Member Project Contracts for the remaining term of the applicable terminated Member Project Contract that reflect such modified valuation.

If a Member System owns or controls or plans to own or control an MP that is a Qualifying Facility that exceeds or is expected to exceed the 5% energy or capacity threshold, the Member System and Tri-State will cooperate to execute a Member Project Contract pursuant to this Policy for the portion of the MP output that falls under the 5% energy or capacity threshold; and to develop, prior to commercial operation of the MP, the necessary billing protocols to address MP output that may fall within the 5% energy and capacity threshold and MP output that may exceed the 5% energy and capacity threshold.

9. Changes to This Policy

Before any changes to this Policy are effective, all Member Systems will be given notice of and an opportunity to comment on the proposed change(s). Notice of the proposed changes shall be sent to each Member System and to the Board of Directors at least 90 days before the Board of Directors may act on the proposed changes. Any Member System may submit written comments on the proposed changes to the President and Chairman and the Chief Executive Officer. The Board shall be provided all such comments prior to acting on the proposed changes, provided that the written comments are submitted at least ten (10) days prior to action by the Board of Directors. The Board of Directors may approve, reject, or modify the proposed changes and upon such action by the Board of Directors, any changes to this Policy shall be effective.

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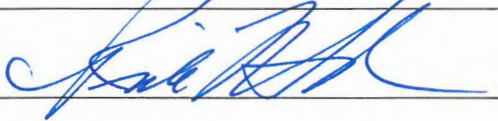
Exhibit 1

Net Metering Option – Backup and Ancillary Service Charges by Technology

MP Technology	Backup Charge¹ (\$/kw-month)	Ancillary Service Charge² (\$/MWh)
Solar	\$ 1.89	\$ 2.00
Wind	\$ 3.44	\$ 4.00
Hydro	\$ 0.24	\$ 0.00
Landfill Gas	\$ 0.58	\$ 0.00
Waste Heat Recovery	\$ 0.32	\$ 0.00
Energy Storage	\$0.00	\$ 0.00

¹ Backup Charges are assessed on the nameplate capacity rating of the MP (if solar, on the AC rating)

² Ancillary Service Charges are assessed on the Metered Output from an MP

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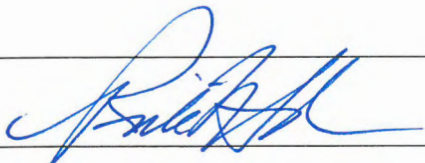
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Exhibit 2 Bill Credit Pricing

Policy 115 Solar Pricing (without Environmental Attributes)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Jan	40.97	41.03	41.29	40.95	41.98	42.75	43.54	44.24	45.63	45.26	45.79	45.17	45.93
Feb	39.71	44.18	41.96	43.59	43.69	43.50	43.28	42.96	42.63	41.37	43.30	43.49	44.25
Mar	32.92	33.45	36.75	35.24	36.17	36.88	37.60	38.24	38.53	38.43	39.83	40.07	44.54
Apr	29.17	27.03	26.83	29.52	31.49	33.32	35.19	37.03	36.75	37.69	38.49	38.29	37.00
May	25.71	28.36	28.04	27.02	29.91	32.71	35.57	38.42	38.29	40.45	39.88	40.39	36.28
Jun	38.53	39.59	37.99	39.64	41.25	42.64	44.06	45.40	46.39	46.95	46.47	47.01	43.04
Jul	52.64	53.87	54.25	56.28	55.30	53.91	52.46	50.85	51.15	52.49	51.59	52.81	51.78
Aug	53.15	50.33	51.69	54.62	53.83	52.65	51.42	50.03	50.83	50.75	51.49	52.43	54.37
Sep	37.77	36.32	36.92	38.38	40.20	41.81	43.46	45.04	45.45	45.96	45.89	45.65	46.16
Oct	32.56	35.01	38.31	39.08	40.06	40.79	41.54	42.20	42.65	43.29	44.21	44.37	47.47
Nov	41.09	39.67	42.85	44.87	44.88	44.59	44.27	43.84	44.07	43.68	44.14	46.15	47.62
Dec	42.32	47.24	49.51	47.16	47.39	47.31	47.21	46.99	46.54	47.29	47.31	47.21	47.57

 _____, Chairman and President	Date: <u>7-10-19</u>
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TRI-STATE
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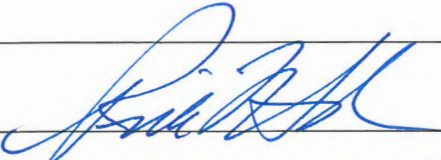
Board of Directors Policy

Subject: MEMBER SYSTEM DISTRIBUTED GENERATION POLICY			Policy No: 115
Original Issue : 1-9-02	Last Revised: 7-10-19	Last Reviewed: 7-10-19	Page 10 of 11

Exhibit 2 Bill Credit Pricing

Policy 115 Wind Pricing (without Environmental Attributes)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Jan	24.03	23.92	23.66	22.92	22.93	22.93	23.08	23.22	23.98	23.49	23.65	23.69	23.36
Feb	21.86	23.65	22.24	22.89	22.73	22.55	22.52	22.49	22.46	21.47	22.66	22.86	22.65
Mar	18.22	18.52	19.60	18.48	18.80	19.11	19.56	20.00	20.05	19.96	20.58	20.68	23.04
Apr	15.52	13.62	13.15	14.63	15.74	16.83	18.05	19.28	18.93	19.45	19.60	19.89	19.71
May	13.55	14.46	14.60	14.26	15.58	16.89	18.33	19.77	19.79	20.70	20.55	20.66	18.96
Jun	20.63	20.86	19.74	20.39	21.09	21.77	22.60	23.43	24.13	23.96	23.88	24.42	22.15
Jul	27.40	28.65	28.61	29.51	28.54	27.56	26.76	25.95	26.33	27.00	26.52	27.17	25.75
Aug	27.83	27.17	27.24	28.47	27.77	27.05	26.51	25.95	26.38	26.28	26.40	27.36	27.29
Sep	19.39	19.48	19.25	20.21	20.90	21.57	22.41	23.23	23.32	23.67	23.73	23.76	23.37
Oct	18.72	19.70	21.16	21.64	21.70	21.75	21.95	22.14	22.34	22.64	23.05	23.26	23.57
Nov	23.92	22.22	24.19	24.75	24.20	23.62	23.21	22.79	23.24	22.79	23.09	24.22	24.21
Dec	24.08	26.31	27.60	25.65	25.34	25.02	24.86	24.69	24.58	24.81	24.98	24.87	25.03

 _____, Chairman and President	Date: <u>7-10-19</u>
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TRI-STATE
Generation and Transmission
Association, Inc.

Board of Directors Policy

Subject: MEMBER SYSTEM DISTRIBUTED GENERATION POLICY			Policy No: 115
Original Issue : 1-9-02	Last Revised: 7-10-19	Last Reviewed: 7-10-19	Page 11 of 11

Exhibit 2 Bill Credit Pricing

Policy 115 Pricing -- Conventional and Other Renewable Resources (without Environmental Attributes)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
Jan	42.40	43.69	45.05	45.56	46.84	47.54	48.51	49.23	51.12	51.38	52.55	53.92	54.28
Feb	39.44	43.90	43.23	46.00	46.86	47.12	47.64	47.88	48.25	47.49	50.50	52.23	52.75
Mar	33.69	35.31	38.71	38.23	39.77	40.83	42.15	43.26	43.81	44.59	46.55	48.02	53.48
Apr	29.63	27.77	28.15	31.75	34.46	36.83	39.46	41.95	41.78	43.65	44.75	46.38	46.41
May	26.56	29.10	30.34	30.75	33.94	36.79	39.94	42.95	43.38	46.12	46.51	48.04	45.01
Jun	37.70	39.44	39.13	41.74	44.03	45.81	47.90	49.76	51.49	52.42	53.04	55.46	51.68
Jul	48.66	52.13	54.12	57.68	57.44	56.43	55.67	54.56	55.74	58.21	58.21	61.08	59.42
Aug	49.29	49.58	51.78	55.91	56.05	55.44	55.09	54.41	55.74	56.75	58.00	61.31	62.53
Sep	36.00	37.07	38.27	41.25	43.56	45.37	47.49	49.39	50.08	51.78	52.69	54.13	54.33
Oct	34.26	37.13	41.11	43.40	44.70	45.44	46.46	47.22	48.06	49.67	51.29	53.06	54.91
Nov	42.29	41.23	46.05	48.86	49.21	48.90	48.85	48.50	49.70	49.99	51.34	54.97	56.03
Dec	42.70	47.91	51.88	50.55	51.33	51.46	51.86	51.96	52.20	53.81	54.94	56.24	57.43

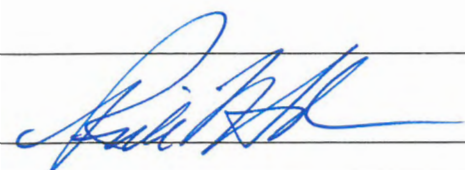
	_____, Chairman and President	Date: <u>7-10-19</u>
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Exhibit B-6

Board of Directors Policy 117

Member System Local Renewable Project Renewable Energy
Credit Purchase Policy



Board of Directors Policy

Subject: MEMBER SYSTEM LOCAL RENEWABLE PROJECT RENEWABLE ENERGY CREDIT PURCHASE POLICY			Policy No: 117
Original Issue : 6-4-08	Last Revised: 8-8-2018	Last Reviewed: 8-8-2018	Page 1 of 4

OBJECTIVE

Under statewide Renewable Portfolio or Energy Standards (RPS), Tri-State and its Member Systems are jointly affected by the RPS requirements. The objective of this Policy is for Tri-State to provide financial support to its Member Systems for local renewable or distributed generation resources that satisfy RPS eligibility requirements. Tri-State will secure the appropriate amount of renewable energy credits (RECs) from eligible resources for each Member System to comply with its RPS requirements unless a Member System chooses to satisfy its RPS requirements with its own local renewable or distributed generation resources.

ACCOUNTABILITY

The Chief Executive Officer.

SCOPE

Under this Policy, Tri-State will support Member System development of local renewable resources that contribute to meeting the Member System's RPS or other renewable resource requirements or otherwise can be utilized by Tri-State to support meeting non-participating Member Systems' or Tri-State's renewable requirements. This Policy applies only to resources owned or controlled and contracted for by the Member System pursuant to Tri-State Board Policy No.115 or controlled by the Member System through its net metering policies. Tri-State's financial support of such local renewable resources shall take the form of a REC purchase payment based on the qualifying RECs produced for which the Member System has title and ownership and which are eligible for compliance with state renewable requirements.


IMPLEMENTATION

1. Member System Participation

This Policy is available to all Tri-State Member Systems. In consideration for conveying and transferring title to the RECs associated with the eligible resources to Tri-State, the Member System will be entitled to receive REC purchase payments.

2. REC Purchase Payment

The REC purchase payment will be based on the REC Price set forth in Exhibit A to this Policy, which will be expressed on a \$/REC basis. Member Systems with resources that are eligible for a REC "multiplier" will receive associated REC purchase payments.

	Chairman and President	Date: <u>11-7-2018</u>
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TRI-STATE
Generation and Transmission
Association, Inc.

Board of Directors Policy

Subject: MEMBER SYSTEM LOCAL RENEWABLE PROJECT RENEWABLE ENERGY CREDIT PURCHASE POLICY			Policy No: 117
Original Issue : 6-4-08	Last Revised: 8-8-2018	Last Reviewed: 8-8-2018	Page 2 of 4

The REC Price will be reviewed periodically and may be updated to reflect factors such as the market price of RECs and compliance progress of Tri-State and its Member Systems. The REC Price will not vary by Member System and will remain constant, i.e. "locked-in" for the term of a particular contract. The REC price in Exhibit A that is in effect at the time a Policy 115 Companion Contract is approved by the Board of Directors or at the time a Master REC Purchase Contract is executed shall be the REC Price for the term of the contract.

3. REC Certification and Requirements

REC purchase payments will be based on the energy output of the eligible resource(s) (on a MWh basis, or fraction thereof) as attested to by the Member System to Tri-State. A REC attestation form will be submitted by the Member System by July 31 for the first six months' output from any eligible resource in a given year and by January 31 for the last six months' output from the previous year. Reporting requirements for net metered resources shall be set forth in a Master REC Purchase Contract between the Member System and Tri-State and for Policy 115 projects, in a Policy 115 Companion Contract. The Member System consents to random verification of net metered resources.


4. Ownership of Environmental Attributes

In consideration for REC purchase payments for the RECs from local renewable resources, the Member System shall convey and transfer all associated RECs to Tri-State, free and clear of any liens, encumbrances and defects.

5. Contracts

The Member System and Tri-State shall enter into the Policy 115 Companion Contract (REC Purchase Contract) or the Master REC Purchase Contract which will detail the terms and conditions of the REC purchase payments as follows:

- a. The Policy 115 Companion Contract (REC Purchase Contract) associated with a Policy 115 Generation Contract with a term up to ten (10) years will set forth the terms and conditions for the REC purchase payments for the qualifying RECs from that project; and
- b. The Master REC Purchase Contract associated with a Member System's net metering policies with a term of up to ten (10) years will set forth the terms and conditions of the REC purchase payments for the qualifying RECs from those resources. One such Master REC Purchase Contract shall cover all net metered resources utilized by the Member System for REC purchase payments, as evidenced by appropriate Attachments pertaining to individual resources.

	Chairman and President	Date: 11-7-2018
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TRI-STATE
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Association, Inc.

Board of Directors Policy

Subject: MEMBER SYSTEM LOCAL RENEWABLE PROJECT RENEWABLE ENERGY CREDIT PURCHASE POLICY			Policy No: 117
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6. Tri-State's Obligations


Tri-State will secure renewable resources and/or provide RECs in an amount adequate to meet the Member Systems' RPS compliance obligations that the Member System is not otherwise meeting through its local renewable resources. If the Member System has RPS compliance obligations, Tri-State will provide periodic reports to Member Systems setting forth its projected compliance obligations, the amount covered by the Member System's local renewable resources, the amount covered by Tri-State's renewable resource portfolio and the source of those renewable resources and their eligibility to qualify under RPS requirements. If acquisition of such renewable resources could result in reaching any statutory rate cap limit, Tri-State will provide such calculation to affected Member Systems as part of such periodic reporting.

7. Member System's Obligations

The Member System will cooperate with Tri-State in registering the local renewable resources within a regional tracking system, such as the Western Renewable Energy Generation Information System (WREGIS), so that Tri-State may certify and track the RECs purchased under this Policy.

8. Changes to this Policy

Before any changes to this Policy are effective, all Member Systems will be given notice of and an opportunity to comment on the proposed change(s). Notice of the proposed changes shall be sent to each Member System and to the Board of Directors at least 90 days before the Board of Directors may act on the proposed changes. Any Member System may submit written comments on the proposed changes to the President and Chairman and the Chief Executive Officer. The Board shall be provided all such comments prior to acting on the proposed changes, provided that the written comments are submitted at least ten (10) days prior to action by the Board of Directors. The Board of Directors may approve, reject, or modify the proposed changes and upon such action by the Board of Directors, any changes to this Policy shall be effective.

 _____, Chairman and President	Date: 11-7-2018
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TRI-STATE
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Board of Directors Policy

Subject: MEMBER SYSTEM LOCAL RENEWABLE PROJECT RENEWABLE ENERGY CREDIT PURCHASE POLICY			Policy No: 117
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Exhibit A

REC Price*

\$1.00 / REC

*In most cases, 1 megawatt hour of generation from an eligible renewable resource = 1 Renewable Energy Credit (REC). Depending upon the state, certain multipliers may result in the metered generation value varying from the number of RECs resulting from said generation.

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 , Chairman and President	Date: 11-7-2018
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Exhibit B-7

Board of Directors Policy 118

Member System Participative Generation Policy



Board of Directors Policy

Subject: MEMBER SYSTEM PARTICIPATIVE GENERATION POLICY			Policy No: 118
Original Issue : 3-7-07	Last Revised: 7-10-19	Last Reviewed: 7-10-19	Page 1 of 3

OBJECTIVE

The Wholesale Electric Service Contract between Tri-State and the Member Systems allows each Member System the option of using distributed or renewable generation resources it owns or controls to serve up to five percent (5%) of the Member System's requirements.

For various reasons, Member Systems have expressed an interest in supporting specific renewable or distributed generation projects located in their service territories ("Projects") that Tri-State would not otherwise develop. This Policy provides the means to establish arrangements whereby the Member System and Tri-State can jointly fund such Projects on terms that would not be less favorable than those associated with projects Tri-State would develop.

ACCOUNTABILITY

The Chief Executive Officer.

SCOPE

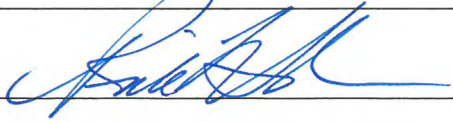
Under this Policy, Tri-State will purchase the output of the Project pursuant to a contract approved by the Board of Directors. Tri-State will operationally integrate and include the Project with the other resources it uses to serve the requirements of its Member Systems. Tri-State will continue to provide wholesale electric service to the participating Member System at the Class A rate. The participating Member System(s) will provide financial support to the Project in order to mitigate associated financial risks or subsidization of the Project by non-participating Member Systems.

The following discussion provides an outline for the process to implement this Policy.

1. Initial Evaluation

Tri-State will conduct an evaluation of a specific Project upon request from the Member System. The Member System request should provide all relevant generator data related to the specific Project including, but not limited to generator size (MW), interconnection point, projected capacity factor, dispatch characteristics and fuel type. Alternatively, a Member System could request that Tri-State evaluate a potential Project after specifying such information such as desired technology, generator size, and Project location. Tri-State may conduct a competitive bidding process or other due diligence to evaluate such a potential Project.

The evaluation should be completed by Tri-State within 4 months of receipt of the request, unless additional time is required for transmission or interconnection studies being performed by others. For any transmission or interconnection studies that may be required, the Tri-State Energy

 _____, Chairman and President	Date: <u>7-10-19</u>
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Board of Directors Policy

Subject: MEMBER SYSTEM PARTICIPATIVE GENERATION POLICY			Policy No: 118
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Resources group shall request the study of the Tri-State transmission planning group or other transmission provider's planning group, under the provisions of the applicable Open Access Transmission Tariff.

The evaluation will consist of an analysis of the Project including a review of financial, operational, reliability and risk factors. The evaluation would also detail the capacity and energy value that Tri-State would assign to the Project.

For Projects with a nameplate capacity of 20MW or greater, the costs associated with the initial evaluation will be split equally between Tri-State and the Member System. The Project owner or developer will be responsible for the cost of any transmission or interconnection study.

2. Evaluation Results and Term Sheet

When the Project evaluation is complete, the results will be shared with the Member System. Tri-State will also provide the Member System with a summary of the key terms and conditions ("Term Sheet") under which it will purchase the output of the Project, including the pricing Tri-State would be willing to pay for the output from the Project and the level of financial support needed from the Member System.

If the Member System agrees with the provisions described in the Term Sheet, the Member System will notify Tri-State in writing that it wishes for Tri-State to proceed with contract negotiations for the Project.

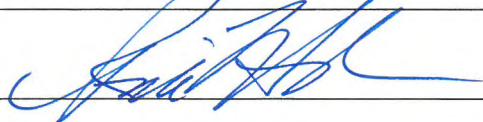
3. Contract

Tri-State will negotiate a contract (the "Generation PPA") with the Project owner or developer that details the pricing and terms and conditions under which Tri-State will purchase the output of the Project.

The Member System will negotiate a separate contract (the "Member Support Contract") with Tri-State which will detail the pricing and terms and conditions under which the Member System will provide financial support to Tri-State for the Project. Once the key terms and conditions of the Generation PPA and Member Support Contract have been negotiated, approval will be requested from the Board of Directors.

4. Contract Terms and Conditions

While each Generation PPA will have unique terms and conditions, at a minimum, the following elements will be addressed in each Generation PPA:

 _____, Chairman and President	Date: <u>7-10-19</u>
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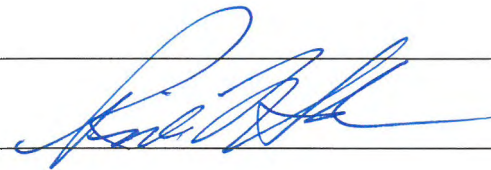
TRI-STATE
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Pricing
 Fuel Supply
 Performance Guarantees/Security
 Schedule/Milestones
 Renewable Energy Certificates Ownership
 Term
 Point of Delivery
 Metering/Telemetering

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 _____, Chairman and President	Date: _____ 7-10-19
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Docket No. ER19-2444-000
ER19-2444-001

11

CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Commission's Rule of Practice and Procedure, I hereby certify that I have this day served a copy of the foregoing Protest on all persons designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 13th day of August, 2019.

/s/ Jenna L. McGrath
Jenna McGrath

Document Content(s)

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